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OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



DARLENE GREEN  
Comptroller

*Internal Audit Section*

Carnahan Courthouse Building  
1114 Market St., Room 608  
St. Louis, Missouri 63101  
(314) 622-4723  
Fax: (314) 613-3004

January 12, 2007

Ms. Sheroo Mukhtiar, Executive Director  
Almost Home  
3200 St. Vincent Ave.  
St. Louis, MO 63104

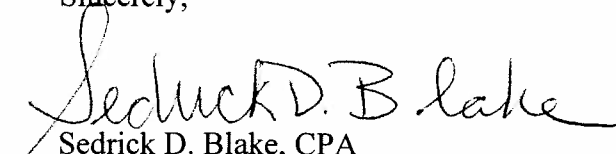
RE: Fiscal Monitoring Report of Almost Home, Federal Emergency Shelter Grant  
(FESG) (#2007-HOM13)

Dear Ms. Mukhtiar:

Enclosed is a report of our fiscal monitoring review of Almost Home (Document #50561 and #53190) for the period January 1, 2005 through December 31, 2005 and January 1, 2006 and September 30, 2006, respectively. The scope of a fiscal monitoring review is substantially less than an audit, and as such, we do not express an opinion on the financial operations of Almost Home. Our fieldwork was completed on November 28, 2006.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised and through an agreement with the Department of Human Services (DHS) to provide fiscal monitoring to all grant subrecipients. If you have any questions, please contact Charles Schroeder at 589-6089.

Sincerely,

  
Sedrick D. Blake, CPA  
Audit/ Fiscal Executive

Enclosure

CC: Patrick Brennan, Fiscal Manager, Department of Human Services



# CITY OF ST. LOUIS

***DEPARTMENT OF HUMAN SERVICES (DHS)  
HOMELESS SERVICES PROGRAM***

***ALMOST HOME  
FEDERAL EMERGENCY SHELTER GRANT (FESG)  
DOCUMENTS #50561 AND #53190***

***FISCAL MONITORING REVIEW***

***JANUARY 1, 2005 THROUGH DECEMBER 31, 2005 AND  
JANUARY 1, 2006 THROUGH SEPTEMBER 30, 2006***

***PROJECT #2007-HOM13***

***DATE ISSUED: JANUARY 12, 2007***

***Prepared by:  
The Internal Audit Section***



## OFFICE OF THE COMPTROLLER

**Honorable Darlene Green, Comptroller**

**CITY OF ST. LOUIS  
DEPARTMENT OF HUMAN SERVICES (DHS)  
HOMELESS SERVICES  
ALMOST HOME  
DOCUMENT #50561 AND #53190  
FISCAL MONITORING REVIEW  
JANUARY 1, 2005 THROUGH DECEMBER 31, 2005  
JANUARY 1, 2006 THROUGH SEPTEMBER 30, 2006**

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**CITY OF ST. LOUIS  
DEPARTMENT OF HUMAN SERVICES (DHS)  
HOMELESS SERVICES  
ALMOST HOME  
DOCUMENT #50561 AND #53190  
FISCAL MONITORING REVIEW  
JANUARY 1, 2005 THROUGH DECEMBER 31, 2005  
JANUARY 1, 2006 THROUGH SEPTEMBER 30, 2006**

**INTRODUCTION**

**Background**

**Contract Name:** Almost Home

**Document Numbers:** 50561 and 53190

**Contract Periods:** January 1, 2005 through December 31, 2005  
January 1, 2006 through December 31, 2006

**Contract Amounts:** \$77,000 and \$76,230

These contracts provided funds from the Department of Housing and Urban Development (HUD), Federal Emergency Shelter Grant (FESG) to Almost Home to provide transitional housing to homeless, unwed teenage mothers and their children who are residents of the city of St. Louis.

**Purpose**

The purpose of this fiscal monitoring review was to determine Almost Home's (Document #50561 and #53190) compliance with federal, state and local Department of Human Services (DHS) requirements for the period January 1, 2005 through December 31, 2005 and January 1, 2006 through September 30, 2006, respectively, and make recommendations for improvements.

**Scope and Methodology**

We made inquiries regarding Almost Home's internal controls relating to the grant administered by the Department of Human Services (DHS), tested evidence supporting the reports the Agency submitted to DHS and performed other procedures considered necessary. Our fieldwork was completed on November 28, 2006. Management's responses were received on January 4, 2007 and have been incorporated into this report.

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CONCLUSION AND SUMMARY OF OBSERVATIONS**

**Conclusion**

Almost Home did not fully comply with federal, state and local DHS requirements.

**Status of Prior Observations**

The Agency's most recent fiscal monitoring report dated May 17, 2005 identified the following observation:

1. The Agency did not require two authorized signatures on checks. **(Repeated. See Current Observation #1.)**

**A-133 Status**

According to a letter received from Agency management dated August 14, 2006, Almost Home was not required to obtain an A-133 audit for the period ending December 31, 2005 because it did not expend \$500,000 or more in Federal funds.

**Summary of Current Observations**

We made recommendations for the following observations, which if implemented, could assist Almost Home in fully complying with federal, state, and local DHS requirements.

1. The Agency did not require two authorized signatures on checks.
2. The Agency did not file the IRS Form 990 for calendar year December 31, 2005 on time.

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**DETAILED OBSERVATIONS, RECOMMENDATIONS  
AND MANAGEMENT'S RESPONSES**

**1. The Agency did not Require Two Authorized Signatures on Checks**

The Department of Human Services policy guidelines require the Agency to have two authorized personnel sign checks. The Agency does not require at least two authorized people to sign checks. However, there are strong internal controls in place regarding the invoice processing and check printing. The Agency only had one person who was authorized to sign checks on all accounts. This is a case of non-compliance with the DHS policy guidelines, which can result in a poor approval process and no management review of disbursements.

**Recommendation**

We recommend the Agency comply with DHS requirements and use two signatures on checks or request a waiver from the Department of Human Services.

**Management's Response**

*The Agency concurs with the observation. The Agency understands that the Department of Human Services require two signatures on each check, but this is difficult for Almost Home due to the size of the Agency staff and the roles and responsibilities of each staff person, (segregation of duties). The issue has been discussed with our independent auditors, Kerber, Eck, & Breckel, and they have not been able to offer a viable solution. As a result of this, they pay particular attention to our accounts payable process when performing their annual audit. The auditors are satisfied with how account payable procedures are handled. The auditors are scheduled for the 2006 audit at the end of January 2007 at which time this matter will be discussed again in an effort to find an alternative.*

**2. The Agency did not File IRS Form 990 for Calendar Year December 31, 2005 on Time**

The IRS requires all Not for Profit Organizations to file an information return called an IRS Form 990 by the 15<sup>th</sup> day of the 5th month after the Agency's fiscal year end. Extensions of this date are allowed if IRS approved. The Form 990 was prepared by a CPA firm. The CPA firm filed an Application for Extension of Time to File an

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**DETAILED OBSERVATIONS, RECOMMENDATIONS  
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**2. Continued...**

Exempt Organization Return electronically. IRS granted the three (3) month automatic extension on May 10, 2006. The Form 990 was sent to the Executive Director to sign, however, the Agency did not mail it until after the extension date. The Agency was charged a penalty of \$260.00 by the IRS.

**Recommendation**

We recommend the Agency file future IRS Form 990 returns on time.

**Management's Response**

*The Agency concurs with the observation. We will pay close attention to make sure that all future IRS documents are filed in a timely manner.*